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Resorttrust Group New Medium-term Management Plan

“Sustainable Connect ～to wellbeing～2.0”

April 1, 2025 to March 31, 2030

May 15, 2025

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- I. Review of the previous medium-term management plan
- II. Overview of New Medium-Term Management Plan
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Review of the 2-year period of the previous medium-term plan (2023.4-2025.3) (1)

Profitability

Issues	<u>Rapidly increasing energy prices and unit and material costs</u>
Initiative	Revision of various prices, Designing new membership products (details on the next page)
Result (Progress)	Price revisions resulted in increased revenue of 5 billion yen in fiscal 2023 and an additional 2 billion yen in fiscal 2024. Future reviews on a facility-by-facility basis will be considered.

Achieve FY2025 performance targets ahead of schedule in FY2024, the second year of the existing plan.

Performance	FY2022		FY2023		FY2024
Consolidated operating profit (billion yen)	12.2	➡	21.1	➡	26.3
Operating profit margin	7.2%	➡	10.5%	➡	10.6%
ROE	15.4% *	➡	12.9% (Practically plus)	➡	14.7%

* Including extraordinary income impact from the sale of Trusty

Human Resources

Issues	<u>Service industry labor shortage</u>
Initiative	Implementation of improved employee treatment, Expansion of recruitment activities (recruitment of foreign nationals, referral recruitment, career recruitment)
Result (Progress)	Progress in securing human resources, including foreign nationals, and improvement in employee satisfaction-related indicators and turnover rates. Going forward, we will step up its efforts to improve productivity.

Performance	FY2022		FY2023		FY2024
ES (Employee satisfaction)	3.60	➡	3.75	➡	3.80
Employee retirement rate	11.0%	➡	9.3%	➡	7.5%
Number of full-time employees at end of term (YoY)	7,943 (+40)	➡	8,404 (+461)	➡	9,046 (+642)

* ES is a simple average of the four main items; Employee retirement rate is a non-consolidated figure for Resorttrust.

DX / Productivity

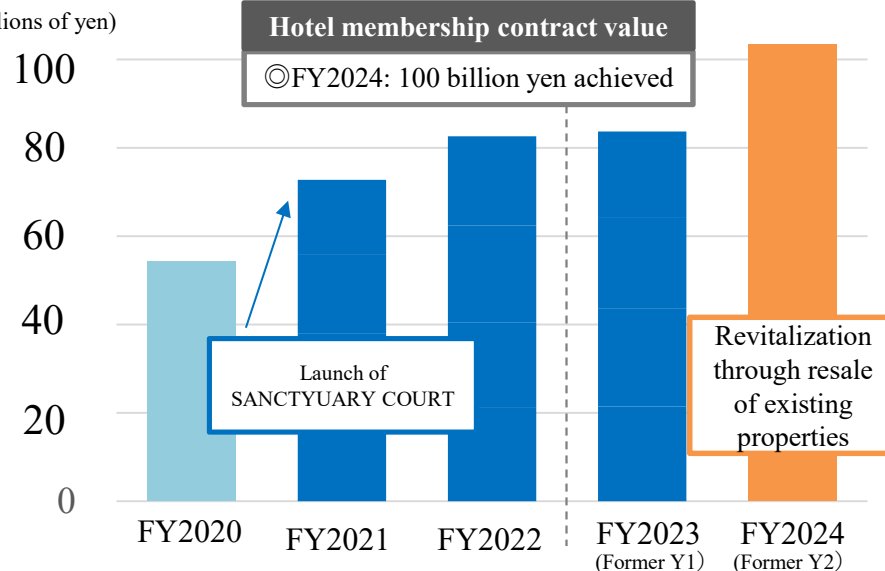
Issues	<u>Evolution of digitalization and dramatic productivity improvement</u> <u>Coping with diverse needs</u>
Initiative	Promote hybrid sales combining digital transformation (DX) and human resources (Utilization of email newsletter and LINE) Promotion of online reservations and smart check-in/out
Result (Progress)	Contributing to higher contract value and enhanced occupancy rates; significant progress has been made in creating systems to raise productivity

Performance	FY2022		FY2023		FY2024
Number of subscribers to the newsletter	93,000	➡	112,000	➡	128,000
Contract values using digitalization (billion yen)	14.5	➡	18.8	➡	26.4
Number of official LINE friends	215,000	➡	31,9000	➡	399,000
Web reservation rate	28.0%	➡	34.9%	➡	40.1%

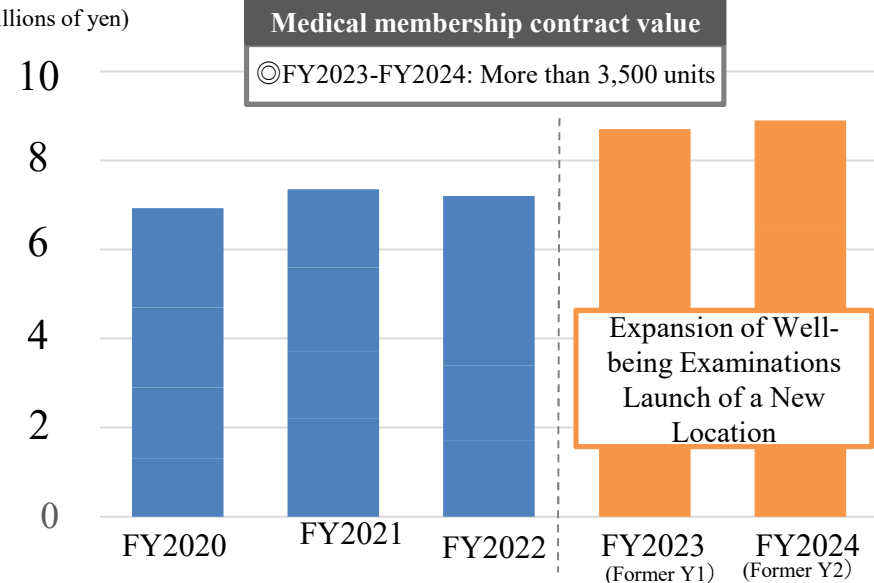
Review of the 2-year period of the previous medium-term plan (2023.4-2025.3) (2)

■ Hotel and medical membership sales progressed very well

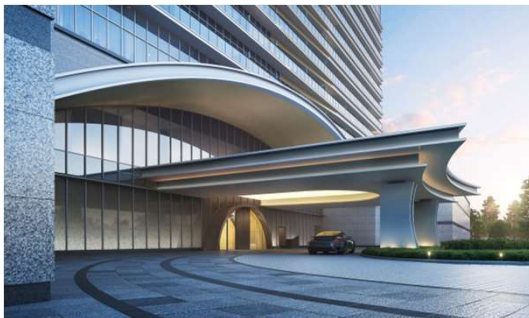
(Billions of yen)



(Billions of yen)



■ When property development issues arose, measures concerning product content and sales strategies were implemented for SANCTUARY COURT KANAZAWA and other facilities which opened later than it.



<SANCTUARY COURT Kanazawa>

March 2025: Membership sales commence

March 2029: Scheduled to open

①Rising construction costs ⇒ Response to rising costs (⇒ maintaining the conventional recovery ratio)

Change the number of people sharing the rights to one room from 36/18 to 45(8 stay nights-type)/22(16 stay nights-type)

⇒Expand the number of days available for floating use from five to seven nights per month, maximum of 92 nights per year

⇒Expand aforementioned floating use to the entire SANCTUARY COURT series (previously only available at the facility)

②Cope with prolonged development period (from launch of sales to opening)

Consider gradual membership price revisions in light of rising costs during development

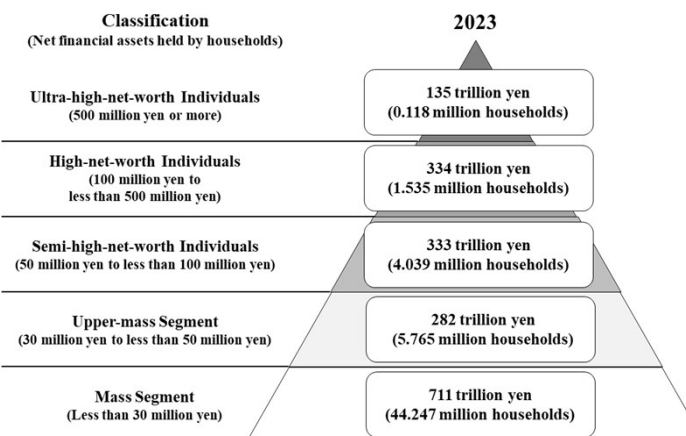
⇒Set prices gradually based on circumstances, leaving room for inventory and revisions after opening

⇒Proceed with multiple parallel development projects (sales products) in different regions based on the direction above

External Environment (Domestic Affluent)

- The number of high-net-worth individuals in Japan continues to grow—as do their financial assets—with particularly large increases in the past two years.
- Financial assets per household (calculated by Resorttrust based on published data) is marked increase in the “100 million yen or more, less than 500 million yen” bracket.

		2015	2017	2019	2021	2023
Ultra-high-net-worth Individuals (Net financial assets of 500 million yen or more)	Financial Assets (Trillion Yen): B	75	84	97	105	135
	Number of Households (Million): A	0.073	0.084	0.087	0.09	0.118
	Approximation: B / A (Million Yen)	1,027	1,000	1,115	1,167	1,144
High-net-worth Individuals (Net Financial assets of 100 million yen to less than 500 million yen)	Financial Assets (Trillion Yen): B	197	215	236	259	334
	Number of Households (Million): A	1.14	1.183	1.24	1.395	1.535
	Approximation: B / A (Million Yen)	173	182	190	186	218
Total of the above (Domestic high-net-worth Individuals)	Financial Assets (Trillion Yen): B	272	299	333	364	469
	Number of Households (Million): A	1.213	1.267	1.327	1.485	1.653
	Approximation: B / A (Million Yen)	224	236	251	245	284

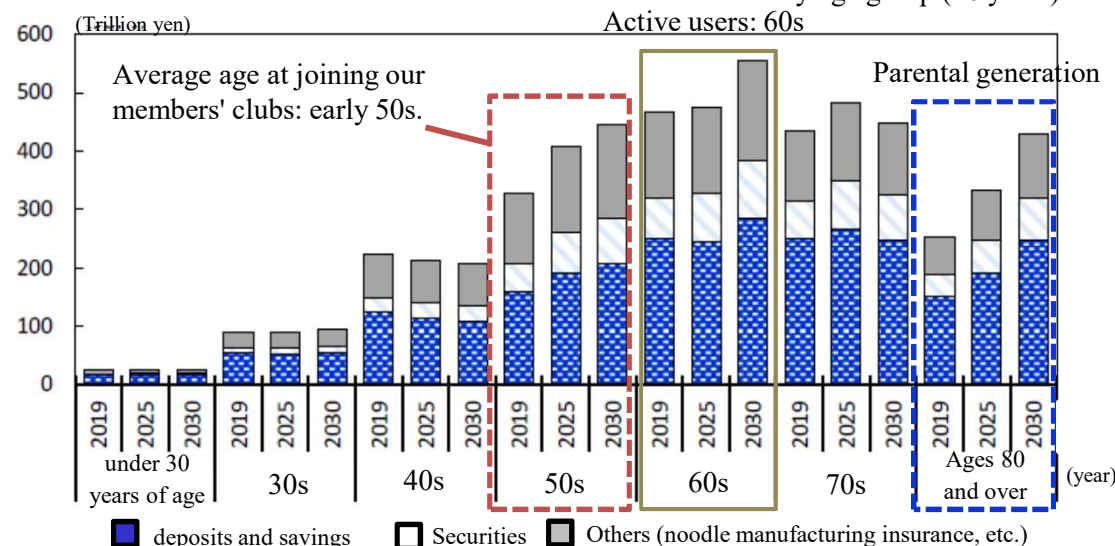


Source: Created based on data from Nomura Institute of Research Ltd. (Sources) NRI estimates based on the National Tax Agency's "National Tax Agency Statistical Annual Report," the Ministry of Internal Affairs and Communications' "National Survey of Consumption," the Ministry of Health, Labor and Welfare's "Current Population Survey," the National Institute of Population and Social Security Research's "Estimates of Future Households in Japan," TSE's "TOPIX" and NRI's "Survey of 10,000 Sei-katsu-sha (Financial Section)" and "Survey of High Net Worth Individuals" etc.

(Reference) On the projected changes in financial assets by age group in Japan through 2030

*Reprinted from the Medium-Term Management Plan material released in FY2023

< Estimated value of future distribution of household financial assets by age group (10 years) >



Within the age group of our main customers, financial assets are expected to increase further as we approach 2030.

We will identify the potential needs of our members and reflect them in the development of new business.

Source: Created based on data from Daiwa Institute of Research Ltd. (Sources) "2019 National Survey of Family Income, Consumption and Wealth," Statistics Bureau, Ministry of Internal Affairs and Communications, "Household Projections for Japan 2015-2040," National Institute of Population and Social Security Research, "Flow of Funds Accounts," Bank of Japan, and "Japan's Medium-term Economic Outlook," Daiwa Institute of Research (January 2022)

New medium-term plan period (2025.4-2030.3) Update of operating income target

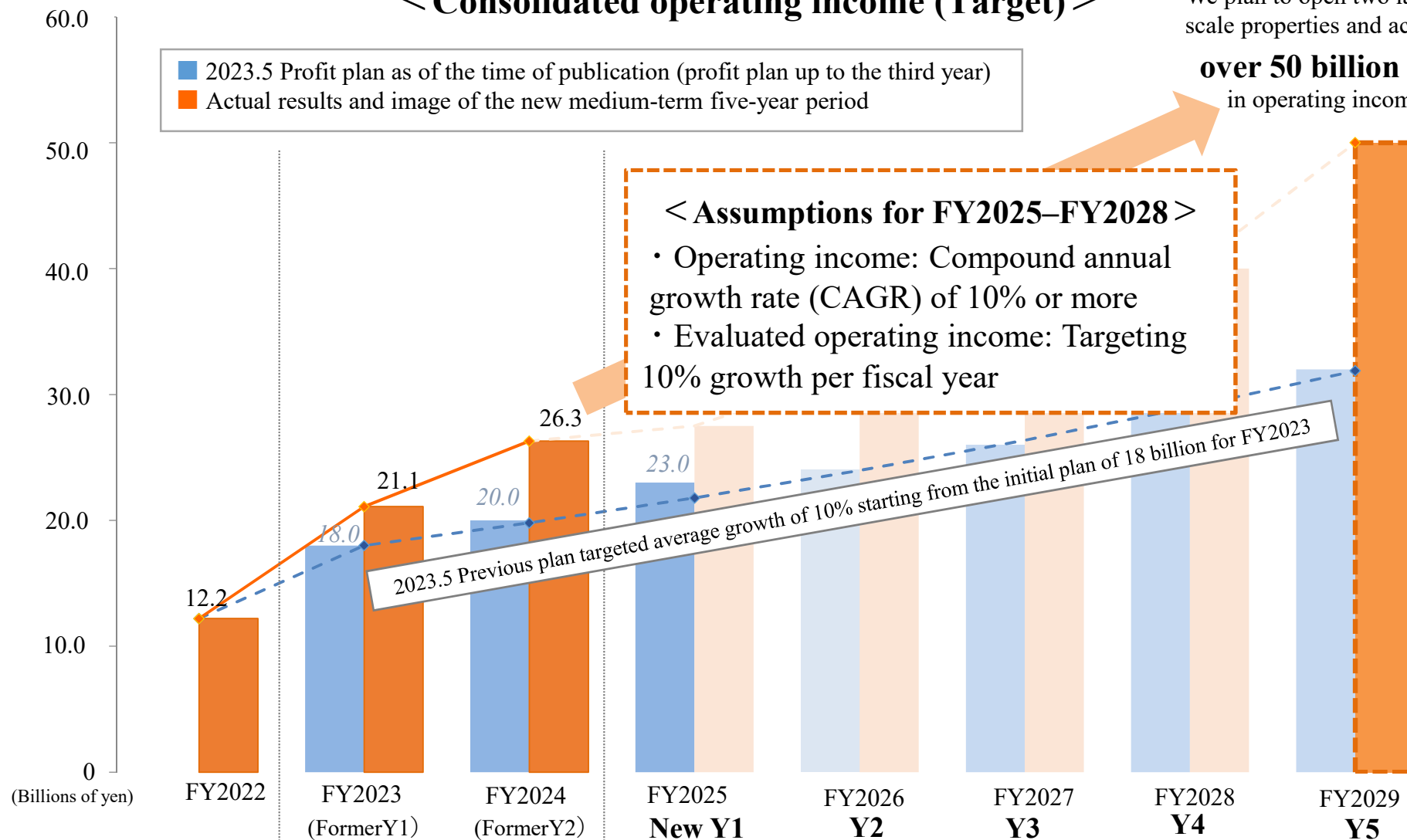
■ We clearly surpassed the third-year target of the previous medium-term management plan announced in May 2023 in the second year and revised the plan upward, establishing a new five-year plan.

■ In terms of accounting, we will continue to aim for annual profit growth of 10% or more, although there may be fluctuations based on the scale of realized real estate gains.

< Consolidated operating income (Target) >

We plan to open two large-scale properties and achieve

over 50 billion yen
in operating income.



Current Medium-Term Period (2025.4-2030.3) Key Management Targets

Consolidated operating income

**< FY2025-FY2028 >
CAGR of 10% or more**

**< FY2029 >
More than 50 billion yen**

Aim for an annual 10%
increase in evaluated
operating income

ROE

**Medium- to long-term
target: Return on equity
(ROE) of 15%
(16.5% in the final year)**

Target ROE of 15%, with aim for
equity (DOE) of approximately 5%
based on a profit growth rate of 10%
(see pg. 8 for shareholder return
policy)

**Membership growth
(approximate)
< Number of 5-year sales units >**

Hotel: 25,000 units, Medical: 15,000 units

Current Medium-Term Period (2025.4-2030.3) Group's Development Schedule

■ Hotels development is planned at a pace of approximately 1~1.5 facility per year from FY2025 onward.

(More than 9 new candidate sites are under consideration for FY2025 and beyond.)

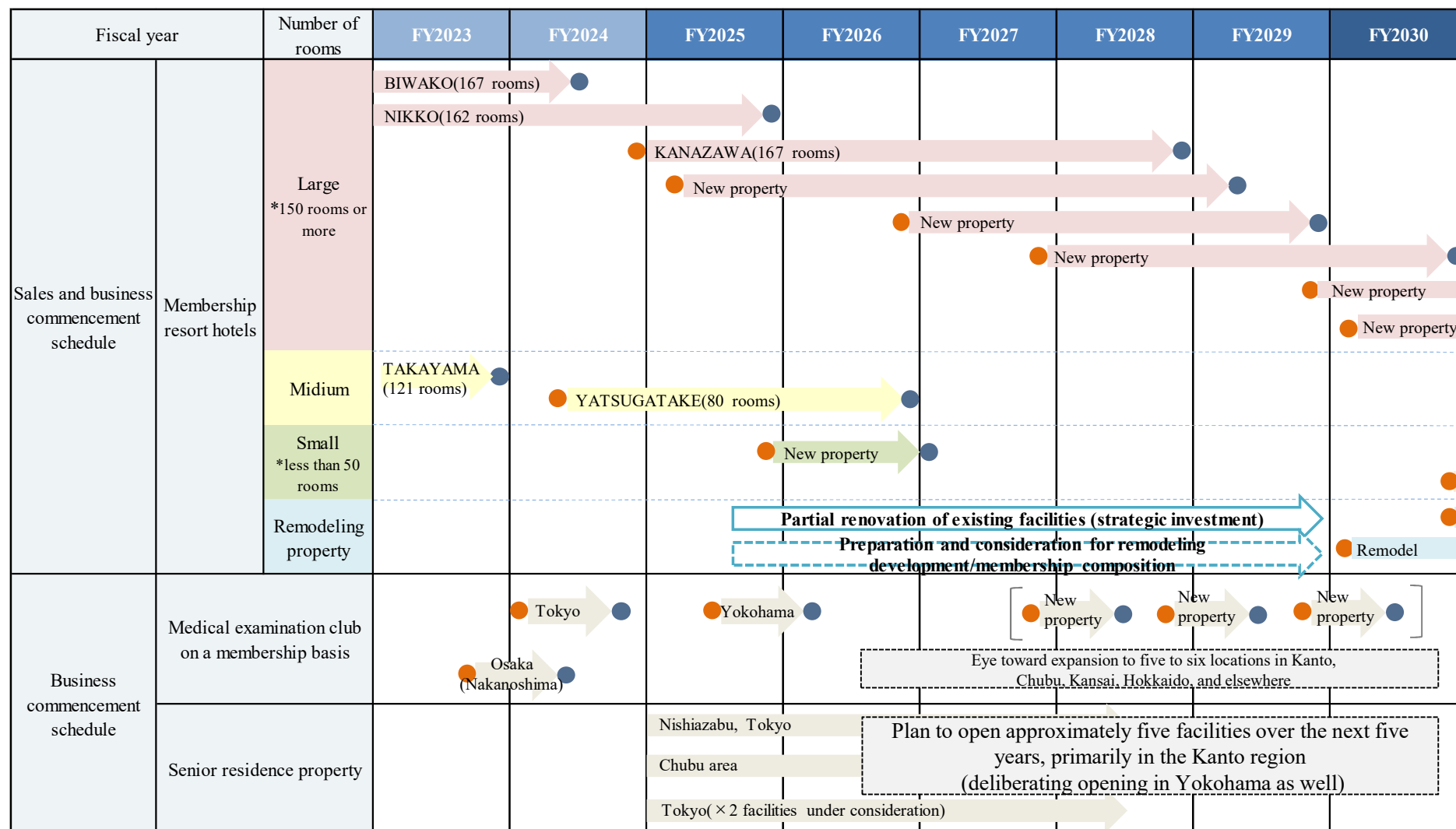
■ In addition to five-year Hotel Operations investment of 250 billion yen (including hotel inventory), active investment in the Medical Operations (see pg. 15 and subsequent pages for details)

■ We plan to open one HIMEDIC facility in fiscal 2026 and are considering expanding the business by fiscal 2030, with six locations currently under deliberation.

< Sales and business commencement schedule > *Subject to change in the future

● Commencement of sales members

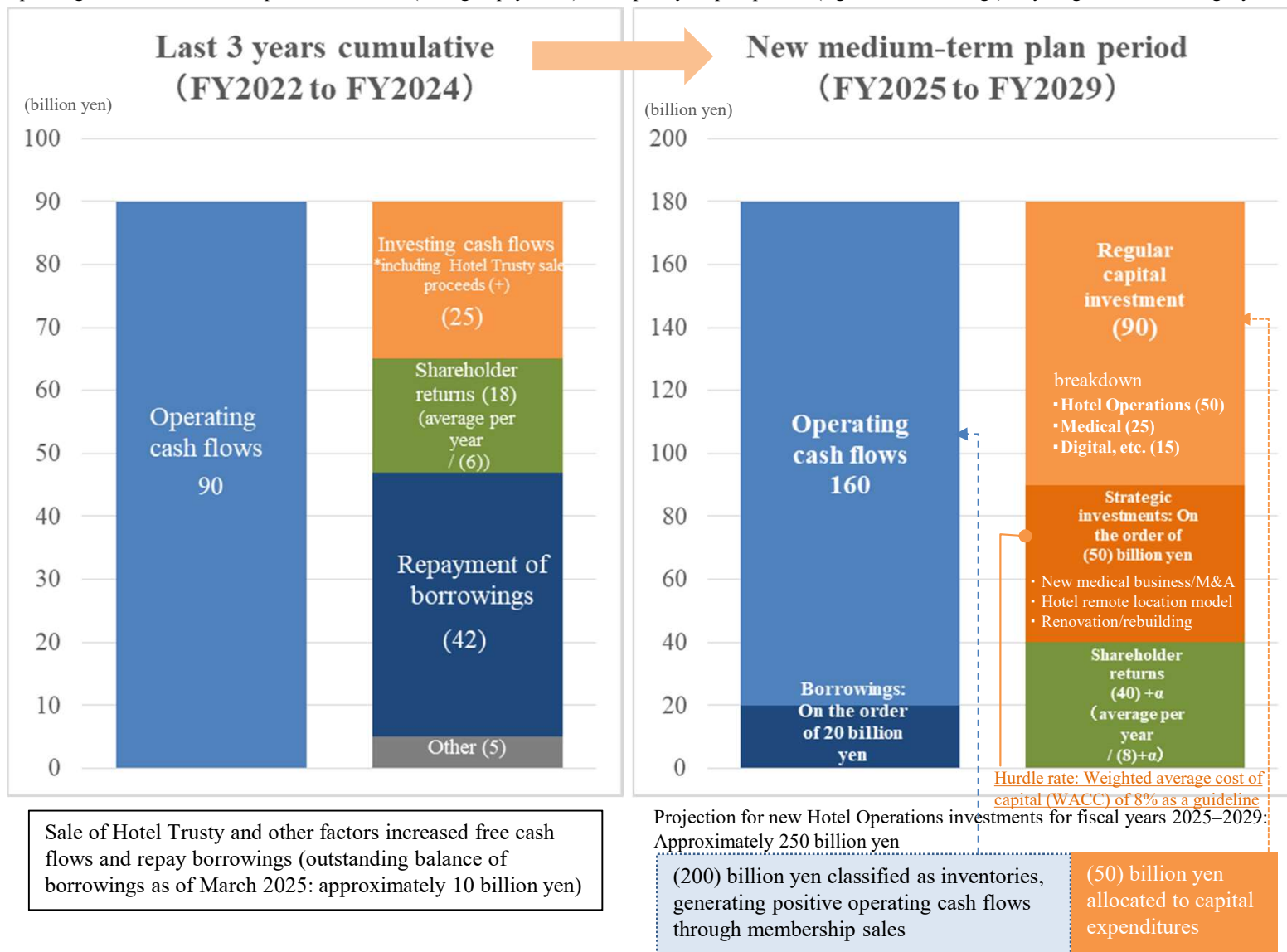
● Commencement of business and acquisition



Current Medium-Term Period (2025.4-2030.3) Cash allocation

- Bolster new investments (hotel inventory + non-current assets totaling 250 billion yen, expand Medical Operations + accelerate new initiatives) and shareholder returns (40 billion yen + α)
- Leverage borrowing capacity (on the order of 80 billion yen) to execute further strategic investments (with the primary aim of achieving an ROE of 15%)

*In some cases, depending on the wave of development investment (timing of payments), a temporary surplus portion (e.g., retained earnings) may be generated in a single year



(Approximately 80% to be sold, remainder to be recorded as non-current assets by the Company)

Current Medium-Term Period (2025.4-2030.3) Strengthening Shareholder Returns

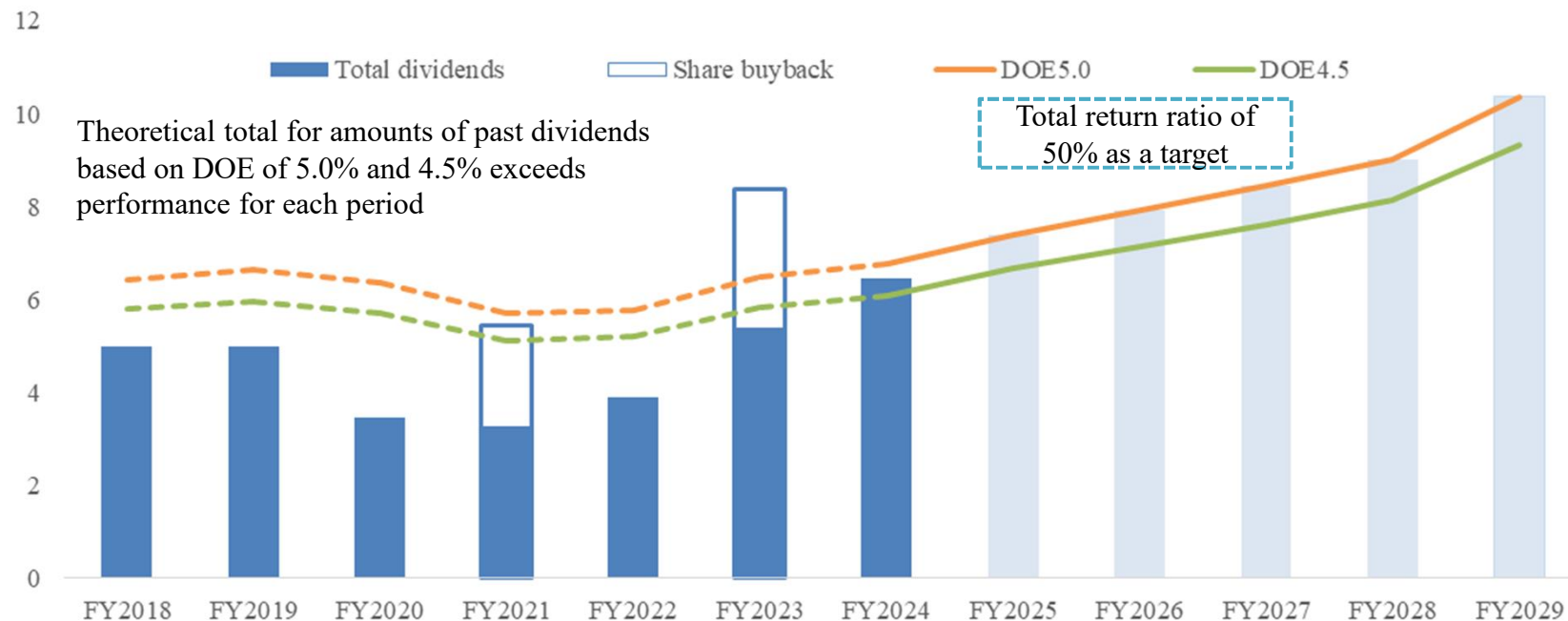
- In addition to the conventional dividend payout ratio, which is affected by the impact of deferred realization; adopt DOE to ensure more stable, progressive dividends
- Raise the overall level by setting DOE standards that exceed conventional levels in terms of return amounts; focus on bolstering returns over the next three years

Shareholders Return Policy

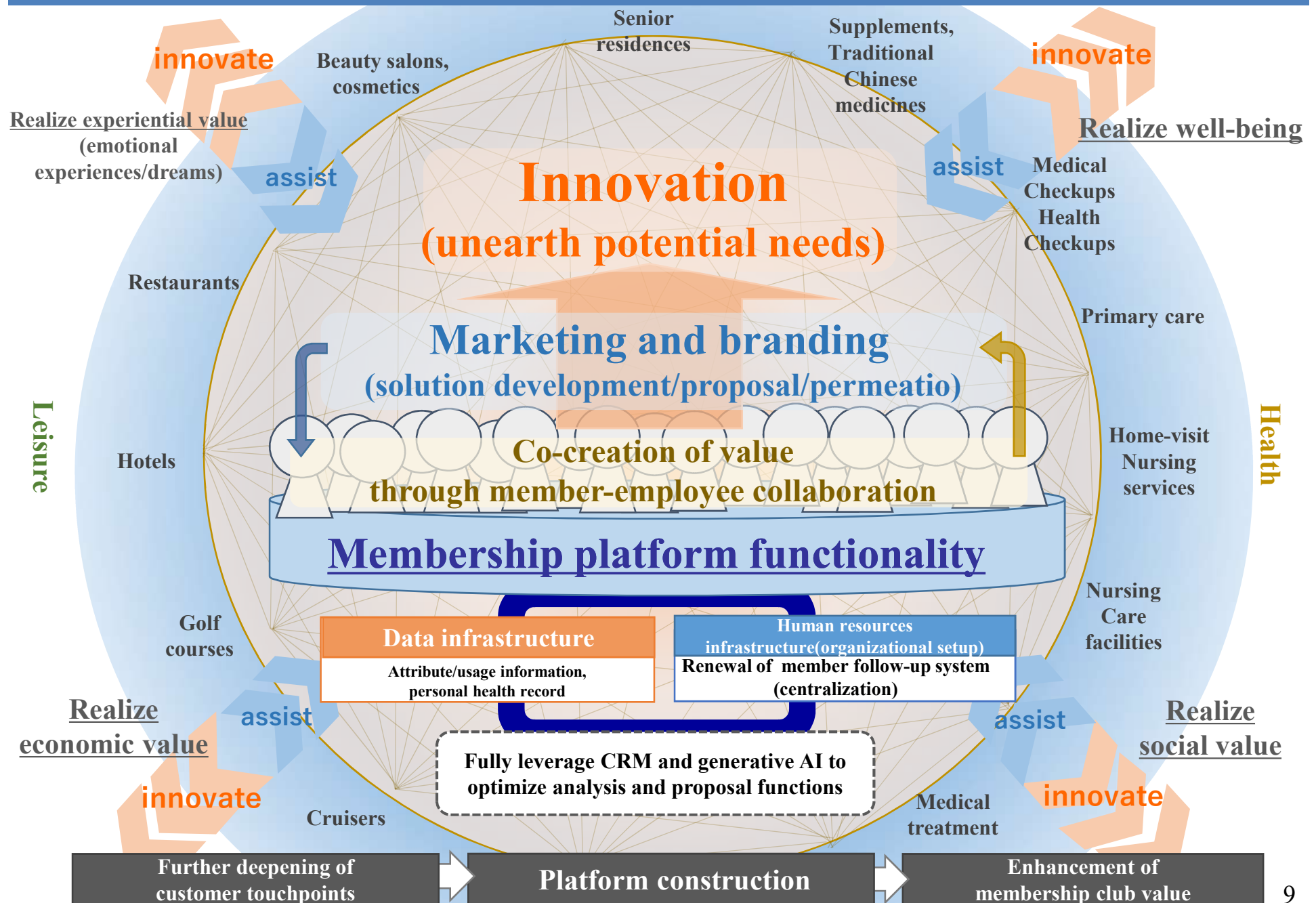
< FY2025-FY2029 >

- Set a minimum DOE of 4.5% and a target of 5%
- Aiming for a total return ratio of 50% for the next three years (2025-2027)
- *Consider focusing on additional return measures in periods when evaluated operating income (real operating performance) exceeds operating income

(Billions of yen)



Reinforce membership business model (platform function)

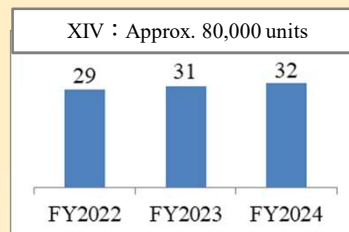
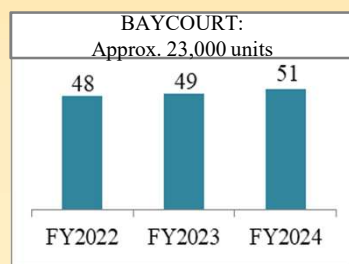
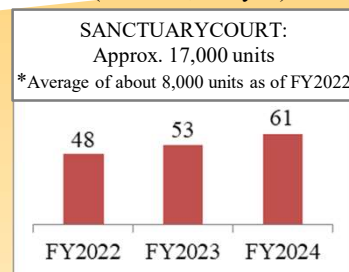


Growth Cycle in Membership Business (Ecosystem)

Value provided in a sustainable business cycle (joining > leaving) ⇒ Expand LTV

Intention to use

Reference: Average annual usage per unit of hotel membership (Unit: 10,000 yen)



Sun Members: 20,000 units

Average per unit above total 120,000:
CAGR 6.5%

*FY2022-FY2024 excluding San Members
*FY2022 is the average at about 110,000 units

*Not including Membership contract price, annual fee, sales of goods, etc.

New member enrollment rate
(our 4% + 2% via intermediaries)* annualized

Current group membership:
145,000 people
*Excluding multiple ownership

Approximately 60% of the total amount spent is by the above members ID

Gold members
(Approx. 5,000)

Silver members
(Approx. 20,000)

Bronze members/
RTTG Premier members
(Approx. 87,000)

Members who have not yet joined RTTG Point Club
(Approx. 33,000)

(250,000 RTTG Point club IDs registered in addition to members)



Referral

Upgrading

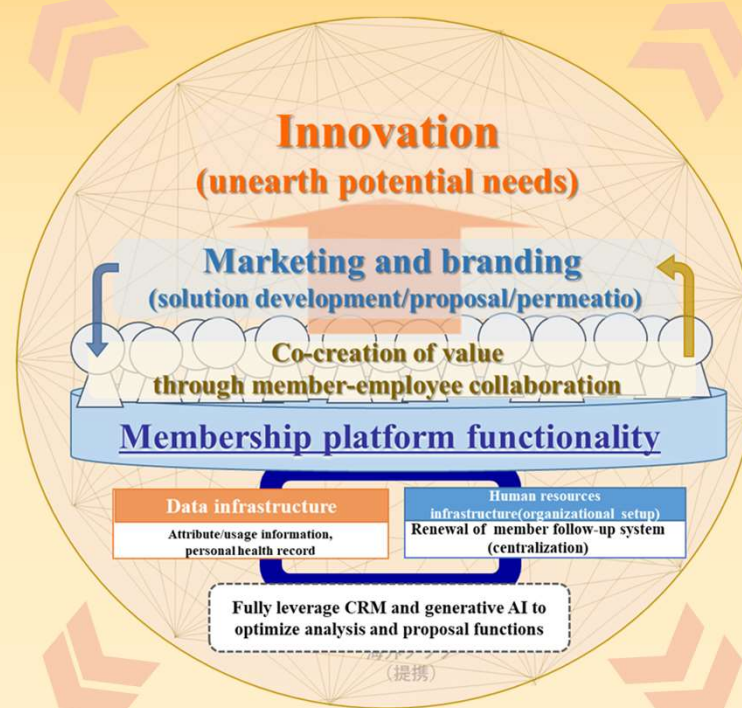
Increased purchase
Cross-selling

Promotion of
usage

Creation of new businesses to realize the happiness and dreams of our members

SANCTUARYCOURT
Increase to
30,000-50,000 units

High



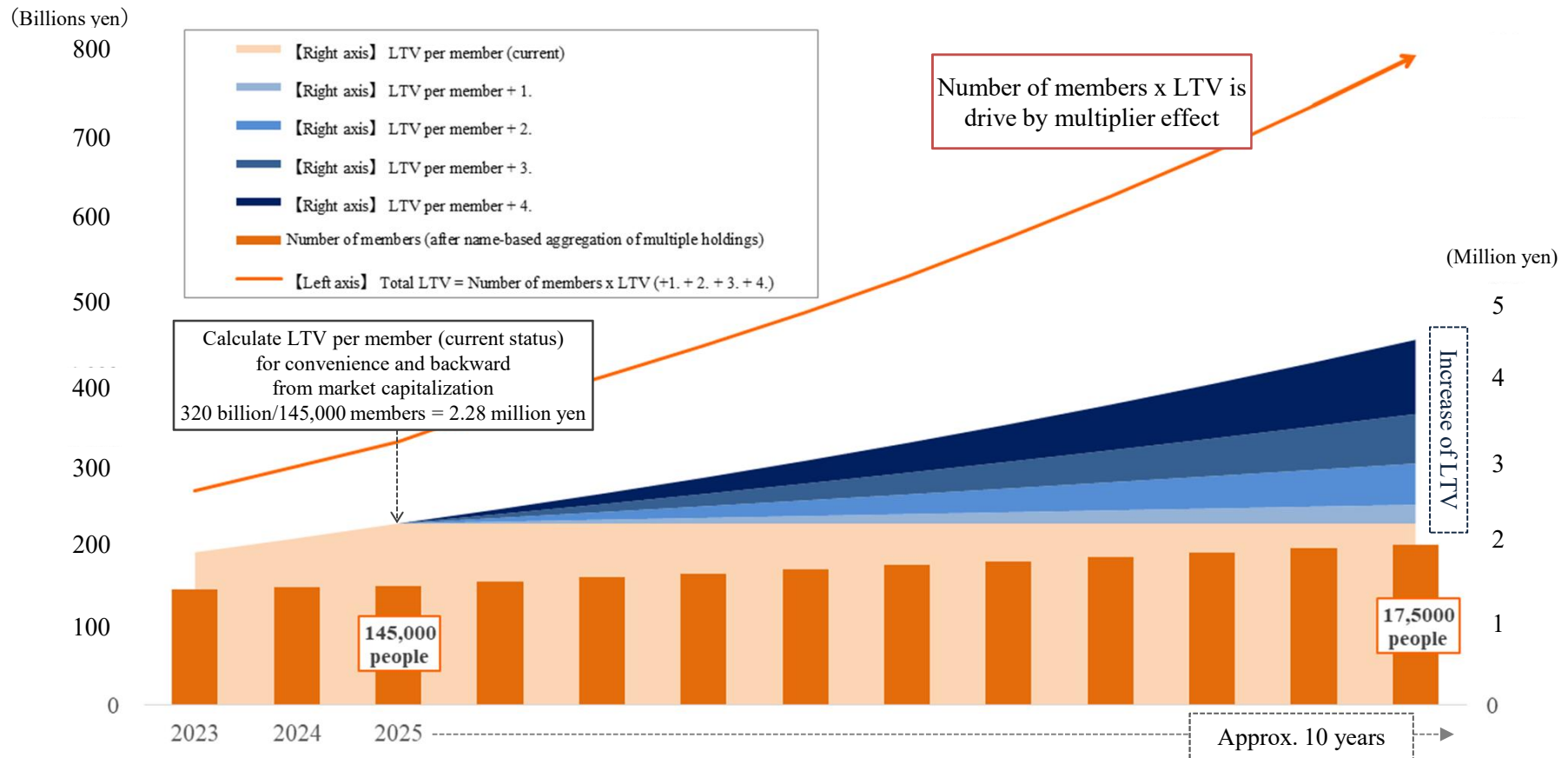
Renovation / renewal implementation
Sales of rebuilt and remodeled memberships

Withdrawal rate
(our 1-2% + 2% via intermediaries)

Low
(Aging population, etc.)

Maximize LTV by building lifetime relationships with customers

Accelerate growth through the multiplier effect of LTV maximization x membership growth



Drivers of LTV per member

1. x 2. x 3. x 4. \div 2.0

*Guideline for the next 10 years

1. Frequency of use (times) x 1.1 (number of registrations/number of users)

- Deepen relationships with customers
- Penetration of multiple registration system
- Work style reform, increase in number of holidays

2. Usage unit price (yen) x 1.2 (upgrade)

- Expansion of high value-added services
- Pricing in line with rising prices
- Scarcity of services by people

3. Continuation period (years) x 1.2 (product for lifetime)

- Extension of healthy life expectancy
- Expansion of services for the elderly
- Improved engagement

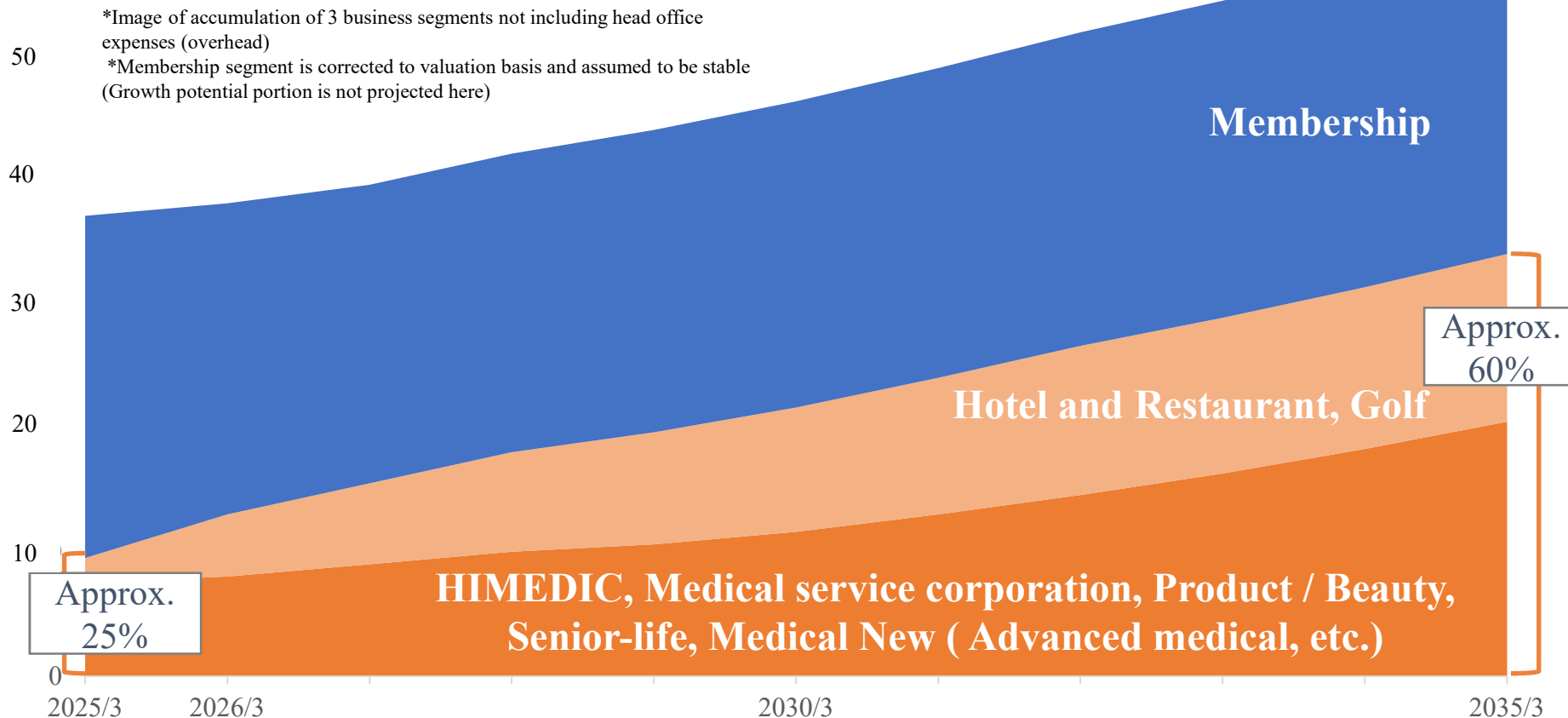
4. Number of items purchased (number of products) x 1.25 (increase in purchases and cross-selling)

- Enhanced cross-sell functionality
- Product Innovation
- Increase in disposable assets of wealthy individuals

Long-term profit growth image (2025.3-2035.3)

■ Growth image over the next 10 years (Medical + hotel operations ratio will increase, moving to a growth stage with a greater sense of stability)

Segment Operating Income Image (Billions of Yen)



- Opening of 3 SANCTURARYCOURT properties
- Strengthening profitability through price revisions, etc.
- Strengthening investment in human resources and IT
- Strengthening investment in repairs
- Launching new innovations

- Continued membership growth
- Started selling reinvestment properties
- Monetized new opportunities
- Started XIV rebuilding model
- Medical surpassed 10 billion

- Sustainability of membership resort business
- Over 250,000 members (number of units)
- Over 45,000 HM members
- Increase number of members using senior residences
- Expansion of overseas and new opportunities

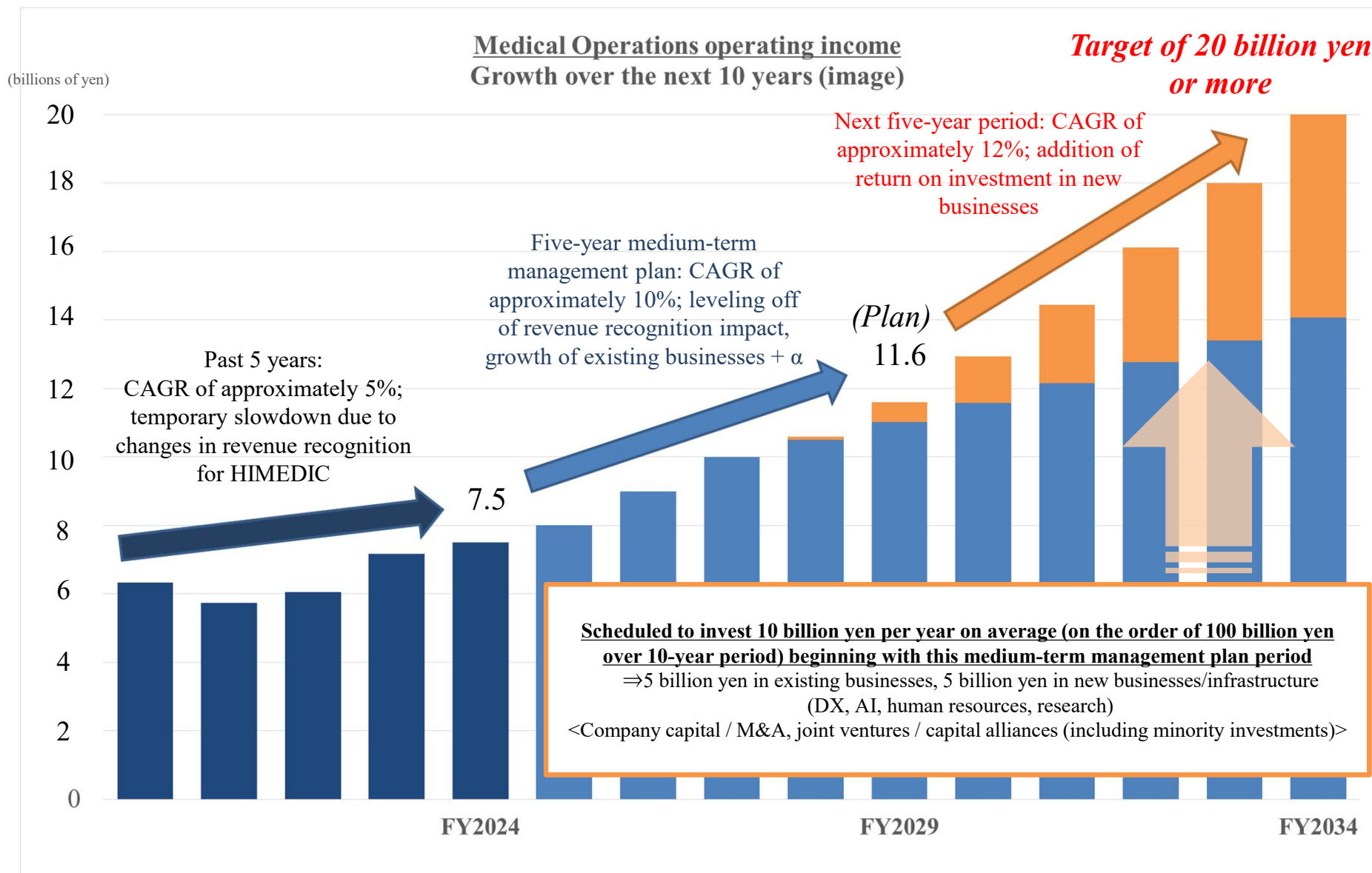
Appendix: Medium-Term Management Plan Business Strategy supplementary materials

Segment Targets and Main Measures

Segment	New five-year indicators	Assumed ratio of operating income to net sales for FY2029 (Compared to FY2024)	Major updates (since announcement in fiscal 2023)
Membership	Growth in contract value through price increases (price increase margin approximately equal to cost increase margin)	25% or more (Same as the current situation)	<ul style="list-style-type: none"> • Product and price design in line with unit cost / gradual review of prices • Stable inventory supply through continuous development of new properties (Approx. 2 to 2.5 years of inventory on average) • Efficient sales through resale products and review of prices as appropriate • Enhancement of per-salesperson contract value productivity
Hotel and Restaurant	Average operating income growth rate of 12% or higher *Compared with FY2025 plan (due to extremely low performance in 2024)	7% or more (+4% or more)	<ul style="list-style-type: none"> • Comprehensive enhancement of efficiency through digitalization, review of sales structure(only after maintaining and improving customer satisfaction) • Flexible review of various prices in light of factors such as the rising cost of goods • Enhancement of occupancy and profitability through reinvestment in existing properties
Medical	Average operating income growth rate of 10% or higher *Compared with FY2024	17% or more (+3% or more)	<ul style="list-style-type: none"> • Expand earnings in each existing business / Improve productivity (DX utilization) • Advanced medical services in major Japanese and Southeast Asian cities • Senior care business: Transition to new schemes (independent living/nursing care) • Active investment in new businesses and DX/AI infrastructure both in Japan and overseas (projection: on the order of 100 billion yen in 10-year period)

Long-term vision for Medical Operations (accelerated growth)

■ In addition to stable profit growth from the past, accelerate and drive growth through proactive investment and proprietary business resources and partnerships



Expansion through Medical Operations portfolio and new investments

Medical Service Corporation Business: Profit margin of 15 to 20%

(Five-year regular investment: On the order of 5 to 10 billion yen + **strategic investment**)



Number of general health checkup facilities: 18
Number of health checkups: 600,000 per year ⇒ Target: 700,000;
1.05 million image readings ⇒ Development of new mixed-use facilities, full-fledged launch of inbound services

Major partners: Medical institutions nationwide (business outsourcing), Mitsui & Co. (remote image diagnosis business), ORIX Co.

HIMEDIC Business: Profit margin of 25 to 30%

(Five-year regular investment: On the order of 15 to 20 billion yen)



Current number of facilities: 10 courses, 13 facilities
Number of members: 33,000
→ Target of 45,000 by fiscal year 2029

Major partners: Leading domestic university hospitals (joint research and establishment of endowed courses = creation of strong collaborative framework), etc.

Core business of the Group's medical strategy, with a significant influence on R&D capability enhancement, Senior-life Business, Medical Service Corporation Business, and overseas business development

Senior-life Business: Profit margin of 5 to 10%

(Five-year regular investment: 5 to 10 billion yen ⇒ **Strategic investment**)



Current number of facilities: 23 facilities with 2,100 units
⇒ Target occupancy rate: 92%

Expanding new residential and care facility business types, focusing on robotics, DX, and care research (newly opened facilities expected to achieve a profit margin of 10% or higher)

Major partners: Mitsubishi Estate Residence, others
Independent living residence development not included in strategic investments (details on next page)

Image of intra-business synergy

Resorttrust: Cross-selling of merchandise

Human resources/connections/medical devices/know-how/networks

Inbound beauty/advanced medical care

DX/AI infrastructure development: Driver of accelerating growth

Developing new medical DX and CRM platforms in collaboration with partner companies, including remote image reading
Major partners: DeNA Co. (joint venture: Well-Compass)

Medical human resources/know-how/peace of mind

Resorttrust: Cross-selling of membership

Resorttrust: Hotel and Restaurant human resources/service quality

Resorttrust: Inbound accommodation/dining

Inbound health checkups

R&D function

Providing solutions for cancer patients

Products/beauty profit margin: 10 to 15%

(Five-year investment: Not included ⇒ **Strategic investment**)



Development and sales of supplements such as plasmalogen and equol, as well as regenerative medicine cosmetics; scheduled to establish new facility in Osaka specializing in beauty, regenerative medicine

Major partners: Clinic physicians

Development and expansion of products within intra-business synergy in the Group

Advanced medical care/domestic and overseas: Expected profit margin of approximately 20% (current rough estimate)

(Five-year regular investment: Not included ⇒ **Strategic investment**)



◆ **Expansion into major domestic cities (Tokyo, Osaka, Yokohama, Nagoya, etc., including alliances with other medical institutions) and Southeast Asia (Vietnam, Indonesia, the Philippines, Thailand, Malaysia, etc.) to establish state-of-the-art medical centers (cancer centers + centers for geriatric medicine)**

Estimated project costs (example): Approximately 20 billion yen per center (approximately 100 billion yen for five facilities, etc.) *Based on international partnerships and alliances; expect minority investment

- Cancer center functions (cancer screening, immunotherapy, boron neutron capture therapy (BNCT), proton beam therapy, etc.)
- Functions of center for geriatric medicine (anti-aging medicine, preventive medicine, advanced screening)

◆ **Fortifying inbound support (utilizing domestic facilities)**

⇒ **Enhancing sophistication of services through language support**

- Multilingual medical translation services, AI physician chatbot

Major partners: Mitsubishi Corporation, National Cancer Center(development of BNCT)

Bringing together all business resources (customer base, research results, brand)

Medical Business Reorganization of Investment Policy

■ With regard to the existing leasehold portion, considering the impact of changes to lease* accounting standards and long-term risk, the Company plans to shift toward ownership- and condominium-type structures.

*Mandatory effective from FY2027.

Categories	Investment recovery model/ownership structure (future policy)	Reference
HIMEDIC	<u>Membership model</u> (investment recovery by opening of facility)	Equipment and facility assets are typically on the order of 3–5 billion yen per facility
Medical service/general health checkups	Investment recovery (including real estate investment) possible within approximately 10–12 years	Considering lease term and other risks, we will consider owning assets *Including office building equity ownership
Seniors (independent living)	Transition to <u>ownership-based sales facilities</u> beginning with new facilities *Existing facilities will also be reviewed in line with the aforementioned policy Consider introducing a membership system	Currently using both owned and leased assets *Affected by changes in lease accounting standards
Seniors (nursing care)	Transition to <u>self-owned facilities</u> beginning with new facilities *Existing facilities will also be reviewed in line with the aforementioned policy	Currently using both owned and leased assets *Affected by changes in lease accounting standards (stringent regulations render condominium-type assets challenging)
Advanced medical center (planned)	No investment in large-scale assets expected; focus instead on monetization through project management, management guidance, operational support, and boron neutron capture therapy (BNCT) sales and maintenance, etc.	

Strategic investment in resort facilities (consideration of remote location model)

*Not included in current plan

Area	Affluent Households	Current Members	Penetration rate (2023.3)	(Potential margin)
Kanto	About 650,000	About 50,000	8 %	<div>Target: 20-25%</div> <div>Kanto region as a priority area, with significant potential in other regions as well</div>
Chubu	About 230,000	About 40,000	17%	
Kansai	About 240,000	About 40,000	16%	
Other	About 370,000	About 10,000	2%	

*Estimated by the Company based on statistical data and membership data, etc.
(Estimated when wealthy households are defined as 1.49 million households)

Domestic Affluent (2023)

1.65 million households

(11% compared with 2021)

Net financial assets: 364 trillion yen

*Based on data estimated by Nomura Research Institute, Ltd.

*Affluent sector means households with net financial assets of 100 million yen or more

Number of small and medium business owners: approximately 3.5 million corporations (increase in corporate demand)

Expansion of the Group's economic bloc (user base)

Group facility User base

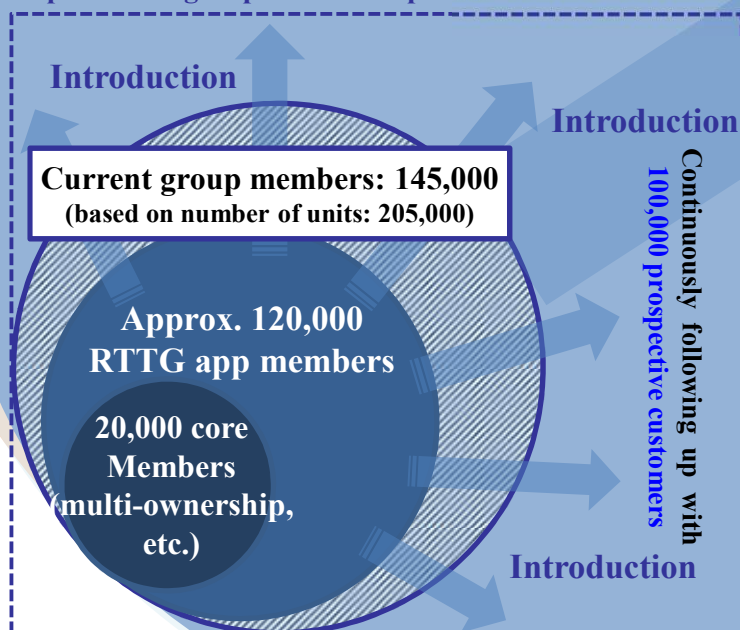
Foreigners (mainly of the wealthy)

Family members and relatives of members, guest users, and service as a welfare program/health check-ups for corporate employees (approximately millions of people)

RTTG app members
Approx. 700,000

LINE members
Approx. 400,000

Expansion of group membership base



◆ Breakdown of other areas

Area	Affluent Households
Hokkaido	About 40,000
Tohoku	About 80,000
Chugoku	About 80,000
Shikoku	About 40,000
Kyushu	About 110,000
Okinawa	About 15,000

According to a questionnaire targeting existing members, following Hokkaido and Okinawa, Kyushu ranks third nationwide in terms of desired locations; as new models for remote locations, it is also possible to consider hybrid formats with inbound tourism.

Productivity Improvement Measures in the Hotel Operations Sector (excerpts)

Initiatives in the past two years (actual results)

(2024 fiscal year results vs. 2022 fiscal year results) **Higher total fixed costs: 6 to 7 billion yen**

*Excluding increases incurred due to new facility openings

Base increase / salary increase: 5.3% + 6.5%, countermeasure of long breaks during the shifts of employees, personnel replacement, hiring of foreign nationals, dormitory maintenance and repairs expansion of benefits, expansion of bonus multiplier (from 3.5 months to 4 months per year), etc.

Positive impact on talent acquisition, issues remain regarding productivity

Measures in the current medium-term management plan: 1. Transition to digital and cost reduction

(Fiscal years 2025–2029) Reduced fixed costs: (3) to (4) billion yen

*Excluding increases related to new openings

- Penetration of Non-stop check-in/out
- Evolution of member follow-up system (digitalization)
- Appropriate staffing and proper operation of facilities
- Thorough review of unproductive operations

2. Increase in SANCTUARY COURT membership

(Current medium-term management plan) 600,000 yen x 25,000 people: Sales increase +15 billion yen

- Projected increase in SANCTUARY COURT members (SAC): On the order of 25,000
- Annual average spending per SAC member: 610,000 yen (8.9 nights)

*Actual figures for 2024

*The rate is much higher than the BCC members' 510,000 yen (7.3 nights) and XIV members' 320,000 yen (6.0 nights).

Assuming a marginal profit rate of approximately 40% for the aforementioned sales increase, this is projected to result in approximately 5 billion yen in additional profit

**Sales increase
25 billion scale**

3. Measures to improve unit price and occupancy, increase fixed income

(Current medium-term management plan) Unit price/occupancy: Sales increase +5 billion yen

- Review of food and beverage prices (scheduled to be implemented by fiscal 2025, etc.)
- Consider revisions to room charges for each facility
- Revenue improvement associated with additional investment in legacy facilities

Current medium-term management plan) Increase in fixed income, including new facility openings: +5 billion yen

Revision of Annual fee (Operating Expenses)(Implemented 2025.1)

Offset cost increases resulting from price increases, the increase in fixed costs due to the opening of new businesses, etc., totaling approximately (10.0) billion yen.

**Profit increase effect from 1. + 2. : On the order of +8 billion yen
(Fiscal 2029 plan vs. 2024 actual results)**

Aiming for an operating income to net sales of 7% or higher

ご一緒に、いい人生



RESORTTRUST
GROUP

Resorttrust, Inc.
Sustainability Promotion Dept.

<https://www.resorttrust.co.jp/english/ir/>

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